



Illinois Solar Energy Association

Informal Comments from Illinois Solar Energy Association (ISEA) Regarding Draft Revisions to the Illinois Net Metering Rule

The Staff of the Illinois Commerce Commission is requesting informal comments on initial draft revisions to 83 Illinois Administrative Code Part 465 (Net Metering). ISEA has reviewed the draft Net Metering rules and has the following recommendations.

1. We recommend that the Commission publish all annual net metering reports and require all electricity providers to publish aggregate and remaining capacity.

Section 465.40 requires all electricity providers to file an annual report summarizing the status of their net metering programs. We recommend that the Commission publish all required annual net metering reports from the electricity providers to promote accountability and compliance.

We recommend that the Commission require all electricity providers to identify remaining net metering capacity and publish the information on the electricity provider's website to promote transparency. In California and Massachusetts, the public utilities publish the aggregate capacity of net metering facilities and track the remaining capacity in the net metering cap. Developers and potential investors can use the published data to make informed decisions about their opportunities to participate in the net metering program. The Commission should require all electricity providers to identify and publish net metering capacities so potential participants can be aware of capacity limitations.

If an electricity provider reaches its cap, it should be required to notify the Commission and post a notice to that effect on its website within 15 days, rather than waiting until the due date for filing its annual report.

2. We recommend that the Commission require all electricity providers to establish waitlist procedures.

Section 465.35 (f) requires the electricity provider to offer the applicant the opportunity to be placed on a waiting list. We recommend that the procedures include notification of the wait list position to participants and potential applicants and the development of a queue of waitlisted projects to facilitate transparency. We have provided example language below.

The electricity provider shall establish waiting list procedures that include publicizing the beginning of the wait list period to applicants and customers. The wait list will be on a first-come, first-served basis, according to an electricity provider's date stamp. The electricity provider shall provide a list on their website of the waitlisted projects and their ranking, which shall be updated on a regular basis.



3. We recommend that the Commission clarify “avoided cost” and establish a uniform state-wide process for the calculation of “avoided cost”

Section 465.05 defines “avoided cost” as the “incremental costs to the electricity provider of electric energy or capacity or both, which, but for the purchase from an eligible customer, the electricity provider would generate itself or purchase from another source.” We recommend that the Commission investigate the electricity providers’ current methodology for calculating the avoided cost and modify that methodology in order to calculate a solar-specific avoided cost.

In 133 FERC 61,059 at pages 26, 31 (California Public Utilities Commission), FERC clarified that the CPUC was within its authority to develop resource-specific pricing as long as there is a state-mandated requirement to purchase that type of resource. The solar carve out, and distributed generation carve out in Illinois satisfy this requirement. FERC also clarified that transmission and distribution (T&D) benefits can be included in an avoided cost rate.¹

We request that the Commission consider providing workshops to promote discussion on defining the true avoided cost of net metered solar generation. Since solar generates power during peak hours, and since distributed generation systems provide benefits to the T&D grid, a higher “avoided cost” value for solar may be justified.

4. In order to promote accountability and compliance, we recommend that the Commission require all electricity providers to file the application form and program details with the Commission annually.

Section 465.35(a) requires all electricity providers to “establish an application form and procedures to enable eligible customers to participate in the net metering program offered by the electricity provider.” Based on research from the Environmental Law and Policy Center (ELPC), many of the ARES have not established an application form or program details as required by law. Furthermore, many ARES were not aware of the requirement to establish and offer a net metering program when contacted by ELPC staff. This has caused widespread confusion among members of the public interested in developing solar that are taking supply from an ARES.

We recommend that the Commission publish links to these materials on a central webpage on the Commission’s website so that the public can reasonably access materials that they need to understand and apply for net metering service. The Commission should consider publishing “model” program materials to assist ARES in developing the required application form and procedures.

5. We recommend that the Commission establish a streamlined transferring process to ensure that existing net metering customers do not lose their net metering contracts or bill credits when switching electricity providers.

Based on ISEA and ELPC research, many existing net metering customers have experienced lengthy delays and loss of billing credits and have had their net metering contracts canceled when switching (voluntarily or through municipal aggregation) from utility service to a retail electric supplier. This is causing significant confusion and frustration in the market.

¹ Keyes, Fox & Wiedman LLP, “Unlocking DG Value: A PURPA-based approach to promoting DG growth.” May 2013.



It is our understanding that ComEd and Ameren currently handle this situation in different ways. Ameren employs a streamlined process that allows customers to switch electricity providers without losing net metering service or their accumulated bill credits. However, ComEd interprets the statute to require the company to cancel net metering service and accumulated bill credits when a customer switches (even if the customer has been moved to a new supplier through a municipal aggregation program). We recommend that the Commission establish a uniform statewide process similar to Ameren's existing policy to maintain customer net metering contracts and bill credits following a switching event.

6. We recommend that the Commission require electric utilities to identify existing net metering customers to the ARES taking over electric supply service through a municipal aggregation program.

According to ELPC research, some ARES have reported difficulty in identifying existing net metering customers when the supplier is taking over electric supply service from a utility through a municipal aggregation program. The inability of ARES to identify existing net metering customers, coupled with ComEd's policy of cancelling net metering contracts when customers switch suppliers, could result in lengthy gaps in service and confusion among customers. We recommend that the Commission take steps to ensure that ARES are able to identify existing net metering customers to prevent gaps in net metering service.

7. We recommend that the Commission clarify the requirement to consider meter aggregation for shared renewable energy systems.

Subsection (l) of the net metering statute requires electricity providers to "consider whether to allow meter aggregation for the purpose of net metering on:

(1) properties owned or leased by multiple customers that contribute to the operation of an eligible renewable electrical generating facility, such as a community-owned wind project, a community-owned biomass project, a community-owned solar project, or a community methane digester processing livestock waste from multiple sources; and

(2) individual units, apartments, or properties owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility, such as an apartment building served by photovoltaic panels on the roof." 220 ILCS 5/16-107.5(l).

For the purposes of this section, "meter aggregation" would allow multiple customers to net meter their utility bills on a pro-rata basis for the type of shared facilities described in the statute. *Id.* By including this language in the statute, the General Assembly intended that good faith consideration of meter aggregation projects take place. We recommend that the Commission adopt procedures for meter aggregation projects and standards to guide the electricity providers' consideration of them. We also recommend that the Commission require the electricity providers to summarize their consideration and ultimate determination in written document provided to the Commission and the project sponsor. In developing these guidelines, stakeholders could refer to "shared renewables" programs and reference documents from other states and organizations.²

² See, e.g., the Interstate Renewable Energy Council's website and reference materials on shared renewables. <http://www.irecusa.org/regulatory-reform/shared-renewables/>